

Corporate Responsibility in Developing Countries:
Focus on the Nestlé Infant Formula Case

An Honors Thesis (ID 499)

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July 1981

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Taking proper care of one's infant, which includes providing an adequate, nutritional diet, is something which virtually every mother strives to do for her baby. Until early this century, mothers had considered breast-feeding to be the only food source that could supply the nourishment required by an infant. Then, in the early 1920's, an alternative to breast-feeding was developed: infant formula food. The tremendous sales of this highly processed product, which is based primarily on cow's milk, seemed to prove that mothers felt the formula was valuable to their babies diet. Currently, the infant formula business is estimated to take in \$1 billion annually from worldwide sales of the product, with no decline in sales expected for the future. Nestlé Alimentana of Vevey, Switzerland, one of the world's largest food processing companies, accounts for approximately \$300-400 million of these sales, \$200 to \$250 million of which are estimated to occur in developing countries.¹ The aforementioned sales figures are not all that is impressive about this industry, though. Unfortunately, infant formula manufacturers have been accused by various critics around the world of causing the severe malnourishment, even death, of literally millions of babies each year. The issue at stake centers around the supposed improper promotional procedures these companies use, which critics claim serve to lure mothers away from breast-feeding and entice them into buying infant formula, a product which allegedly cannot be used safely under present conditions by the majority of the population in developing countries. The companies claim, however, that their promotion of infant formula as a supplement to breast-feeding is not unethical in any way. The result: a bitter, expensive, drawn-out struggle between activist groups desiring extensive change in current infant formula industry practices and the manufacturers themselves, who simply

desire an end to the battle which would enable them to begin rebuilding their damaged corporate images, as well as continue selling their products in Third World countries...

As was previously mentioned, infant formula's development in the 1920's as an alternative to breast-feeding signaled the start of this controversial product. Two basic orientations, reflecting a historical approach to product development, have been taken by infant formula producers. The first orientation, which is pharmaceutically-based, is a result of the fact that many infant formulas were produced by medical researchers looking for a breast-milk substitute. This has particularly been the case with American producers. For example, Ross Laboratories, Mead Johnson, and Simulated Milk Adaption (SMA), all developers of infant formulas, were acquired by pharmaceutical firms: Abbott Laboratories, Bristol-Myers, and American Home Products (originally Wyeth), respectively. Evidence of the pharmaceutical orientation of this segment of the industry is given by noticing the existence of special "sick baby" formulas, even though it accounts for perhaps only two percent of the total sales volume, in addition to those formulas for the "well-baby" market.²

The second industry orientation, that of a food processor, resulted from sweetened and condensed milk producers finding during the early 1900's that infant feeding was yet one more use for canned milk. When it was later found that "humanized infant formulas were nutritionally superior to canned milk for newborns," these manufacturers were forced into introducing such products, if they hoped to retain their share of the infant food market.³ Companies either developed them internally, as did Nestlé, or purchased production rights from others, as did Borden's in the 1950's. Heavy advertising, primarily through the mass media, was intended to generate sales. "Brand identification was cultivated through advertising, with price sensitivity the key to preserving brand loyalty."⁴

The Nestlé Company itself claims that, what may be called its symbolic beginning, occurred in 1866, when Henri Nestlé kept alive a baby who was unable to tolerate any food at all and in danger of dying, by feeding it his specially formulated infant food based on milk, wheatflour, and sugar.⁵ It is interesting to note that 115 years later, it is estimated that Nestlé controls 50-65% of the worldwide infant formula market.⁶

Today, there are several major U.S. and foreign producers of infant formula, including: Abbott Laboratories, its Ross Laboratories division produces Similac and Isomil; American Home Products, its Wyeth Laboratories produces SMA, S26, and Nursoy; Bristol-Myers, its Mead Johnson division produces Enfamil, Olac, and Prosobee; Nestlé Alimentana and Unigate, a British firm, are two other producers of several infant formula varieties.⁷

Infant formula sales were ever-increasing after World War II, reaching a peak in the late 1950's. However, even though infant formula was enjoying considerable international sales success in the U.S. and Western Europe, particularly in the latter area since previously available breast-milk substitutes were not as nutritional as infant formula, declining Western birth rates in the 1960's and 1970's, along with an increased trend towards bottle-feeding, led manufacturers into actively promoting their products in the Third World, where birthrates are still increasing. In attempting to enter this market, the producers took several different approaches. For instance, Ross introduced its Similac in Canada and Europe, in an effort to capitalize on the high disposable income of the citizens of those nations. Mead Johnson, interested in relatively easy export opportunities, looked to Puerto Rico, Jamaica, and the Bahamas for market expansion. Wyeth, who has sold its formula internationally since before World War II, and today accounts for approximately 15% of worldwide sales, markets its product in Southeast Asia, Latin America, and Africa.⁸ Then, there is Nestlé. Long an international food processor, and with plants throughout the world, it was only natural for the

company to expand sales of its formula worldwide.

The declining use of breast-feeding in developing countries which has been noticed in recent years, is evident not only in urban and suburban areas, but also in rural areas as well. "The reasons for this trend are complex and ill understood, and study of the problem tends to be clouded by emotionalism and to be complicated by rapid and sometimes dramatic changes in the social and economic circumstances of developing nations."⁹ However, in reviewing material on this subject, there are several reasons which consistently show up that are given for this decline:

1. Urbanization-- In many developing countries, there has been an increasing move from a subsistence economy towards a market economy. This has meant, by and large, that many people in these countries have acquired new values such as social mobility as well as a totally new lifestyle. "A mother in a developing country often finds herself in situations totally unlike those her mother ever experienced...These situations can be disorienting, and new values and attitudes must be formed in order to deal with them."¹⁰ In many cases, a "westernization of social mores" has taken place-- and bottle-feeding is definitely a most Western practice.
2. Economic Reasons-- Third World women have gone to work in increasingly large numbers, not so much as a sign of liberation, but moreover because they simply have to work to support their family. This situation is not changed by the arrival of a baby. Because many women do not have access to facilities at their place of work, the convenience afforded by bottle-feeding makes infant formula most desirable.
3. Social Reasons-- Low income groups tend to follow the practices of high income groups. In such a society, "where the rich don't want to bother

with breast-feeding because they have nursemaids and the poor want the status symbol of the fatter baby that formula produces, [infant formula companies] don't even have to advertise," says an American nurse in Sao Paulo, Brazil.¹¹ Also, the development of the breast as a sex symbol has attracted many women to bottle-feeding, fearing that breast-feeding will "alter" the contour of the breast.

4. Personal-- some women simply do not believe in the merits of breast-feeding. Furthermore, many of these women say that, even if they did, "they could not supply it in sufficient quantity."¹²
5. Promotional Activities of Formula Producers/Propaganda-- According to bottle-feeding critics, this factor is the primary cause behind the decline of breast-feeding. This subject will be discussed in detail in the following section.

It is the opinion of the infant formula activists that the promotional techniques used by formula manufacturers are most responsible for the decline in breast-feeding. Critics are upset that the companies promote their formula in the Third World, where many consumers have neither the financial means nor the proper facilities to use the product. Dr. M.K. Sainaba, Associate Professor in Child Health, S.A.T. Hospital, Medical College, Trivandrum, India, says, "More and more mothers are turning to tinned foods because advertisements promise a new generation of super-children-- 'bonny,' 'bright-eyes' and 'strong-nerved'...Milk food companies profess that their products are the best substitutes for mother's milk, but is there a substitute for mother's milk? Milk food companies advocate tinned milk for 'when your breast milk is inadequate,' and this insinuation that her milk is insufficient is often the first step towards lactation-failure...The milk industry, with its persuasive propaganda, is probably more of a threat than a promise to the citizens of

tomorrow."¹³ Corporate managers, on the other hand, defend their promotional efforts based on their belief that infant formula is the most superior alternative to breast-feeding. "When we talk about promoting infant formula, this is not just a matter of market share vis-à-vis our direct competitors," says one producer. "We're also competing against less appropriate forms of infant food."¹⁴ The main issue preventing final resolution of this problem is a lack of common orientation: "the activists and the industry cannot agree where promotion ends and educational information-- which industry maintains is essential to assure proper preparation of its products-- begins."¹⁵ In examining this controversy, it would perhaps be best if industry promotional practices, and the criticisms leveled against them, were discussed by category:

1. Baby Food Booklets-- This is a major promotional method of the infant formula companies. Examples of typical titles include The Ostermilk Mother and Baby Book: Caring for Your Baby, published by Ross Laboratories, and A Life Begins, published by Nestlé. The maternity wards of public hospitals, clinics, doctors' offices, and nurses are the usual sources of such material, which is distributed free of charge.¹⁶ Nestlé has published and distributed educational material throughout the world for many decades. In addition to encouraging breast-feeding, Nestlé publications provide information on prenatal care, preparation of supplementary foods, and general care and hygiene advice for the baby.

It should be mentioned that some baby food booklets did not start mentioning breast-feeding until around 1975, when it was included as a result of the public concern over the possible harmful effects of bottle-feeding. At this time, companies began recommending "mixed feeding," in which the breast is supplemented by the bottle. "Examples of this type of promotion include Nestlé's Your Baby and You which suggests 'an occasional bottlefeed...if you cannot breast-feed Baby entirely yourself.' A Mead Johnson pamphlet states 'More babies have thrived

on Mead Johnson formula products than on any other form of supplementary feeding.' Cow & Gate recommends its milk to 'be used as a substitute for breast-feeding or as a supplement.'¹⁷

Critics claim that these booklets are misleading, giving the overall impression that bottle-feeding is best, even though they might directly state that "Breast-feeding is best." They also assert that the booklets "emphasize reasons to discontinue or diminish breast-feeding," thus suggesting the use of infant formula. In her letter of September 10, 1978 to the Interfaith Center for Corporate Responsibility, Helen C. Armstrong, Kenyan Lactation Counselor, states that, "In most formula promotion literature, there is a subtle or not-so-subtle message that mother's milk sooner or later will fail. Phrases like 'When mother's milk fails,' 'when breast milk is not enough,' 'the best supplement to breast milk' abound in advertisements and on tins...mothers are led to believe that their own milk will not suffice...and the natural fears of any mother that her breast milk will be inadequate are nicely reinforced by all this. As you probably know, the baby who is discouraged in any way from sucking at the breast is thereby prevented from stimulating the mother's milk supply. Thus, the early use of supplementary bottles or of other foods for that matter is the very way to diminish the mother's milk supply...the formula companies...do this not out of ignorance, but out of awareness that this is a sure way to diminish first the mother's confidence in her milk supply, and soon the supply itself."¹⁸

Nestlé counters these criticisms by claiming that the booklets are the key to correct formula use. The industry believes that "the contention that improvements in labeling alone will fulfill the consumer's information needs is hardly credible, given the existing evidence of consumer behavior."¹⁹ Nestlé says the development of these materials is a difficult task, as they must be understood by people who have varying levels of education and who speak many different languages and dialects. "Too simple a book is an insult to the

sophisticated, and a carefully argued explanation incomprehensible to the unschooled."²⁰ As a result, it is the opinion of formula manufacturers that "show and tell" is the most effective way of demonstrating correct product usage.

Furthermore, "What we're talking about is not necessarily the right but the responsibility of industry to communicate with its consumers," says one executive. "This is particularly important when you're talking about product liability law, at least in Europe, which goes well beyond the production of safe products. If consumers-- mothers in this case-- are not given adequate instructions which can help them to use a product correctly, there are certain circumstances under which a manufacturer could be held responsible. So if you say, 'Treat it like lettuce and just put it on the shelves you are neglecting what is seen as a manufacturer's basic responsibility to do everything in his power to ensure that the product he sells is used correctly and appropriately.'"²¹

2. Other Media Practices-- Despite decreasing mass media advertising to Third World consumers in various areas since July 1978, formula manufacturers have advertised in magazines, newspapers, radio, television, and through loud-speaker vans. Nestle justifies its use of the mass media on the basis that, in some areas, radio and, to some extent, television are virtually the only available modes of communicating with the population. "A 1978 survey revealed that Nestlé Lactogen radio ads have been translated into 70 languages. In 1974, approximately 11 percent of all Swahili advertising on national Kenyan radio was for Nestlé Lactogen."²² "As with the baby care booklets, early advertisements usually did not mention breast feeding: a magazine advertisement, for example, stated that Ostermilk and Farex products were 'right from the start-- the foods you can trust.'"²³

Nestlé claims that its mass media advertisements never mention formula being superior to breast-feeding. An example of a 30-second radio spot for

Nestle's Lactogen is as follows:

"Breast milk is best, but when you do not have enough your baby needs Lactogen...

Give your baby Lactogen...Lactogen will make him grow...strong and healthy... Lactogen Full Protein milk helps your baby grow strong because it contains proteins...vitamins...and iron...

Give your baby Lactogen...Follow Lactogen instructions-- Ask your Health Centre."²⁴

Dr. R.G. Hendrickse, a well-known specialist in tropical pediatrics, condoned such advertising, saying, "An advertisement for, let's say, Nestlé milk, over the Nigerian radio will start with the quote 'you should always breast feed your baby, but if you cannot then use...such and such.' I think this is a very reasonable approach."²⁵

Critics, however, object to other media promotion because they maintain it encourages bottle-feeding. "A survey in infant feeding practices in Ibadan, Nigeria, revealed that of the 38 percent of 400 mothers who remembered having seen ads for formula, the majority recalled statements to the effect that the formula gives infants strength, energy, and power. None remembered having heard that breast milk is better for babies."²⁶

3. Free Samples and Gifts-- The distribution of free samples and gifts is one of the most widespread promotional techniques. According to Abbott/Ross Labs, "their purpose is not to induce or enable mothers to abandon breast-feeding. They are intended for the convenience and instruction of mothers for whom our product has been selected by a health care professional, and to familiarize such personnel with their characteristics and performance."²⁷ However, many observers claim that this technique is used to persuade mothers to bottle-feed their babies. Critics go on to denounce this method as unethical. Dr. S.C.E. Abraham, Senior Consultant Pediatrician, Head Department of Pediatrics, General Hospital, Kuala Lumpur, Malaysia, says, "It is difficult to justify

the continuation of the practice of handing out free samples, given their purpose. If a mother is poor enough to need a free sample she is too poor to use it properly, and the promotional impact of that sample on her and her friends is unjustifiable."²⁸

4. Promotion Through Medical Profession-- There are two main reasons why formula manufacturers promote and advertise to hospitals and physicians: (1) physicians can counsel mothers sensitive to the "scientific" quality of infant formula; (2) hospitals typically bottle-feed newborns the first few days after birth. "As a marketing matter, prebirth advertising can create consumer awareness of a product; it cannot create sales. Sales creation occurs in the physician's office or in the hospital."²⁹ This statement makes it quite clear why the medical community is such a focus of attention by formula manufacturers.

On the other hand, Dr. John Knowles, President of the Rockefeller Foundation, speaks for most critics of milk banks when he says "that most often the problem is not a 'scientific' one. The problem is poverty and the inadequate home environment which makes the use of prepared formula so lethal. This the physician is not uniquely qualified to understand. In fact, he may be precisely the most unqualified to understand, since he undoubtedly comes from a different socio-economic background and may have no idea of the home conditions of the poorest mothers of his own society."³⁰

Proponents of promotion through the medical profession claim that it is particularly valid since people receive much of their continuing education from the formula industry. Furthermore, they maintain that such promotion is necessary since formulas do vary according to brand. As a result, health workers must understand these differences if they are to properly instruct mothers. "The fact is, this sort of information on feeding is 10 times more important in the developing countries, where the health infrastructure is lacking, says one [formula manufacturer executive]. Expecting mothers who are illiterate to follow

to the letter improved package instructions is, of course, an absurdity, and to assume that they will make no mistake in following even a well-designed graphic representation is to assume a lot."³¹

A. Milk nurses

The use of milk or "mother-craft" nurses is one of the greatest issues of debate in the formula controversy. While manufacturers claim milk nurses are employed to disseminate product knowledge, critics claim they are used solely to generate sales.

The main duty of Nestlé's medical representatives is "to keep the medical and paramedical profession advised on the latest developments in infant nutrition, and to supply them with educational material for the mothers."³² Nestlé insists that it only employs personnel appropriately qualified in nursing, midwifery, or dietetics. They just as adamantly insist that their nurses are paid a fixed salary plus a travel allowance, although sales-related bonuses are often possible. The company claims that it trains its nurses to emphasize the importance of breast-feeding, and the supplementary role of bottle-feeding. For example, in its Nigerian Handbook for Nestlé Nurses, published in 1969, the following guidelines can be found among the 15 pages of advice:

--"Advise that every mother should breast feed her baby."

--"Artificial feeding should only be reverted to when breast feeding fails or is impossible, or as a complementary feed."

--"You are not a sales woman. Always remember you are a professional woman yourself."

--"Assist as much as possible in the education of mothers."³³

One study of this practice concluded that "more has been made out of these roughly 200 Nestlé nurses (world-wide) than is justified by their activities... Further education on precautions to be taken in infant food preparation is very badly needed in many areas of the Third World. Whatever knowledge can be spread

will help whether that knowledge is spread by company nurses, public health nurses, midwives, or other medical persons."³⁴

Critics of milk nurses object to them on the grounds that they are operating as infant formula salespeople. They argue that many nurses are paid on a sales-related basis, which causes them to exploit mothers in their drive for sales. "In support of this belief, critics quote an industry man: 'Some nurses will be paid a commission on sales results in their area. Sometimes they will also be given the added stick that if they don't meet these objectives, they will be fired.'"³⁵ Further evidence of this is provided by noting the comment made by a "medical representative" of Filipro, Nestlé's Philippine subsidiary: "As a medical representative, my main responsibility is to promote the Nestlé infant formula products...I am a contented employee, enjoying all the incentives like car plan, commissions, etc."³⁶

In an effort to placate critics, Nestlé, as well as other formula manufacturers, no longer allow their nurses to wear white nursing uniforms; leaving them to wear colored outfits instead. Nevertheless, critics are still not satisfied, claiming that just employing such nurses is a danger for many Third World mothers. Dr. Michael C. Latham, Director of Cornell University's Program on International Nutrition, says, "This action is like taking the uniform off the members of a firing squad or the hood off the hangman."³⁷

B. Milk Banks

Companies set up milk banks in hospitals and clinics which serve the poor. Formula is sold at reduced prices in these sales outlets to poor mothers; yet, critics claim that the formula is still unaffordable for intended purchasers. For example, Nestlé formula is available at a Guatemala City milk bank at a discount of 80¢ to \$1.00 from the regular price. However, because the average household income of the bank's purchasers is between \$15 and \$45 per month, mothers dilute the formula to make it last longer so that they can buy fewer tins.

It is commonly agreed by groups on both sides of the infant formula issue that an adequate supply of breast milk is the best source of nourishment for a child in its early infancy. "Breast milk has three clear advantages over any other [nutritional] choice. (1)It is "free" of charge, although in order to furnish sufficient milk the mother must consume more food which costs extra money. (2)Breast-feeding the infant is relatively germ-free because no separate container need be cleaned to deliver the milk. (3)Certain antibodies are contained in the milk which will aid the infant in fighting off dangerous infections."³⁸ It should be made clear, however, that both sides also agree that supplementation is necessary when "the mother dies, is seriously ill, or completely fails to produce milk."³⁹

The question of when to begin artificial feeding is the first point where the two sides disagree. Most physicians agree that Third World mothers should begin supplementing their baby's diet after the first three months. At this time, the infant's energy and protein requirements demand a source of nourishment in addition to mother's milk. "Describing what it terms 'the three months crisis,' the Human Lactation Review, edited by Dana Raphael, a leading proponent of breast-feeding, says:

Very early in our work, we became aware that infants in under developed countries who breast-feed from undernourished mothers require additional food to supplement breast milk by the time they are three months old, when they do not get it, their development is inhibited. The average well-nourished Western woman, weighing twenty to thirty pounds more than most women in less advantaged groups, cannot feed only breast milk beyond five or six months. The claim that Third World women can breast-feed exclusively for one or two years and have healthy, well-developed children is outrageous and dangerous. ⁴⁰

It is with the aforementioned point that the infant formula manufacturers like to press their case. Nestlé, as well as other infant formula manufacturers, like to claim that, in part through their efforts, the infant mortality rate is falling in most countries of the world. One Nestlé publication points out that, at the end of the 19th century, when Henri Nestlé began experimenting with milk

preservation, the infant mortality rate in Switzerland was over 200 per 1000 births. Presently, the figure stands at less than 11 per 1000. It is necessary to realize, however, that in lesser developed countries, "it can be as high as 100 and even, in certain extreme cases, 200 per 1000."⁴¹

It is in these developing countries that many mothers are unable to sufficiently breast-feed their babies. 400 to 450 ml. of milk per day, an amount that usually decreases later in the breast-feeding period, is the average that most mothers can produce after the infant's birth. These are grim figures indeed when one finds that most Western mothers produce an average of 800 ml. of milk per day, or even more.⁴² Unfortunately, it is in these same countries that many babies are born at a less-than-normal weight due to poverty, ignorance, and disease which in turn lead to the mother's undernourishment. As a result of this, it is essential to increase the birth weight in order to reduce the chances of infant mortality.

It is here that a mother is faced with a choice: she can either continue relying solely on breast-feeding or she can begin supplementing her breast-feeding with traditional weaning foods which can be classified as either: (1) "native," cereal gruels of millet or rice, or, (2) "commercial," manufactured milk formula or modified powders and preparations.⁴³

Formula manufacturers insist that their product is necessary to provide the well-balanced diet an infant needs. A Nestlé publication boasts "infant mortality has also dropped considerably in the developing countries thanks to the control of infectious diseases but also to the fact that feeding problems have been largely overcome by suitable milk formulas. It is therefore a mistake, indeed almost a crime, to brand the companies producing milk formula foods as 'baby killers.'"⁴⁴

On the other hand, formula opponents argue that undernourishment does not have as serious an effect on breast milk supply as the manufacturers claim.

Doctors John and Anne Murray, University of Minnesota, concluded that "companies manufacturing infant formulas sometimes attempt to justify the distribution of their products in developing countries on the following premises: undernourished mothers are unlikely to be able to provide adequate nourishment from their breast milk alone for the normal growth of their infants; prolonged lactation is likely to intensify any existing maternal undernutrition. During the Sahel drought and famine of 1974, we were able to follow the weights of Nigerian mothers and their infants which were fed exclusively for at least 6 months on breast milk...(our data) shows clearly that mothers undernourished by nonfamine standards of contiguous African nations were able to provide enough breast milk for normal growth of their infants to 6 months of age without detriment to their health."⁴⁵

Without a doubt, supplementation, or mixed feeding as it is commonly called, is considered a mixed blessing. Formula manufacturers argue that their product enables Third World mothers to provide their infants with a chance to receive nourishment that they might otherwise not have had. Yet, critics assert that breast-feeding is decidedly superior. They point out that most Third World mothers do not receive the advantages that Western mothers get from bottle-feeding their infants, such as the chance to continue fulfilling work outside the home. An anti-formula article claims that "nearly all the advantages of formula feeding have gone into the coffers of the companies, while for babies and mothers the result has frequently been catastrophe."⁴⁷ The feelings surrounding this issue are perhaps best summed up in the following statement:

A child who receives no supplementary weaning foods, commercial or native, between three months and two years, is almost certainly condemned to severely restricted growth, and likely to death. At the same time, lifesaving weaning foods, because their preparation is unhygienic, carry with them bacteria which are hazardous to the health of the infant, and even to its life...The weaning foods dilemma is a cruel cross-fire.⁴⁸

The traditional weaning foods that many formula critics advocate usually consist of cereal gruels prepared from local roots or cereal crops. Crushed

crackers, sugar and water, and mashed bananas are also frequently used by Third World mothers as weaning foods. Nestlé justifies the availability of its formula on the basis that most often these foods do not contain sufficient nutritional value. As a result, the child is weakened, his growth is slowed, and he is made more prone to infection even though he is being fed breast milk and native weaning foods. For instance, the typical West African weaning food called Ogi, a fermented maize starch, is usually diluted, leaving it with practically no nutritional value.⁴⁹ It should also be pointed out that the danger of contamination also exists for these foods, due to contamination in the cooking utensils or ingredients. Moreover, such foods are often made in large batches which are then left to sit. Finally, the feeding methods used with the weaning foods may not be hygienic in themselves. In most developing countries, many babies are force-fed by hand or by spoon, leaving open the possibility of dirty utensils. Although bottle-feeding itself is far from being danger free, Nestlé feels it is the preferred method for three reasons: (1)the sucking action corresponds to a natural need of babies; (2)the use of a baby's bottle enables the mother to know the quantity of milk her infant has taken more easily; and, (3)the company (Nestlé) feels that the use of a bottle enables a baby to be fed more hygienically. However, the company also admits that "we are aware of the need to impose our efforts in this area and this means."⁵⁰

When discussing commercial weaning foods, specifically infant formula, the question "What is it" should be answered: "It is a highly processed food, based primarily on cow's milk."⁵¹ Nevertheless, "Derrick Jelliffe of U.C.L.A. and Patrice Jelliffe point out in their article, 'Breast is Best,' that 'the constituents of human milk and cow's milk are dissimilar in almost all respects."⁵² For example, formula does not have the antibodies that are in mother's milk, nor does it have the latter's digestibility. These remarks are in stark contrast to Nestlé claims that its formula has helped to improve the health of infants

in the Third World, thus simultaneously reducing infant mortality.

It is most apparent that neither side on the supplementation issue can claim victory. Comments made on both sides of the issue make it difficult for the impartial observer to draw a conclusion. Yet, this is not surprising, given the complex nature of the infant formula controversy itself.

Critics claim that the problems of Third World children are compounded by the availability of infant formula, which they say only serves to lure mothers away from breast-feeding. Although an exact figure cannot be determined, formula challengers typically quote that 10 million babies a year suffer from malnutrition related to bottle-feeding. However, "Dr. Derrick Jelliffe, head of the Division of Population, Family and International Health at the University of California at Los Angeles, pediatrician with experience in the Third World, and an endorser of the [formula manufacturer] boycott, acknowledges that the number is a 'symbolic figure' that he customarily uses to 'underline what a huge problem' malnutrition and disease represent."⁵³

Formula opponents maintain that, by making formula available to Third World mothers, manufacturers are placing the product in the hands of the consumer that does not have the resources necessary to use it correctly. For instance, mothers in developing countries commonly mix formula with contaminated water, an action that some say is inevitable in typical Third World conditions. Because of this, the infant becomes ill, as it is unable to fight off bacteria from polluted water. The resulting illness in this case is usually gastroenteritis, with vomiting and diarrhea, leading to severe dehydration and often death. Critics frequently use the term "commerciogenic malnutrition" to apply to this situation. They explain that this term indicates that this type of malnutrition is not based directly on underdevelopment and lack of food resources, but rather is incited by infant formula use. "As Dr. Michael Latham...stated, 'Placing a

baby on the bottle in the Third World might be tantamount to signing the baby's death certificate."⁵⁴ However, there are some people who are in disagreement with the critics, as is indicated by noting the following selection from a letter to the editor, which appeared in Newsweek magazine after an article on the infant formula controversy appeared:

Your article begins with the case of Celia Gulane, a poor woman in Manila, who chose to work and leave her baby in the hands of a young girl, who in turn fed diluted condensed milk to the infant. The fact that Gulane was forced to make that choice, which ultimately led to the death of her child, was a mainspring of a country's underdevelopment, not of the corporation advertising. What Nestlé critics don't realize, therefore, is that infant malnutrition is a by-product of underdevelopment, not of prepared baby formulas.⁵⁵

Formula critics assert that Third World mothers are vulnerable in an economic sense. For many such mothers, the product can be prohibitively expensive, as it can take up to 75 percent of her income. Thus, in order to make the supply last longer, many mothers add extra water. This action serves to reduce the product's nutritional value.

Formula availability in the Third World is further attacked on the basis that most mothers in developing countries are illiterate and therefore cannot read the printed instructions on how to properly prepare the product. Critics say that this problem, combined with the fact that many mothers cannot even observe the basic standards of hygiene makes formula use in the Third World most deadly.

Critics also assert that bottle-feeding increases the chances of pregnancy. Although they admit that breast-feeding is not a reliable means of contraception, they explain that frequent feedings serve to suppress ovulation. By working to decrease breast-feeding, formula opponents maintain that manufacturers are taking away, for what many Third World mothers is their only method of contraception.⁵⁶ However, in keeping with the complexity of this issue, there is another side to the controversy, since formula manufacturers insist that their products are

needed in the Third World. "'Government and medical personnel in these countries tell us that if we [stopped selling infant foods] we would be killing a lot of babies,' says Ernest Saunders, Nestlé's vice-president for infant nutrition products."⁵⁷

The infant formula controversy is understandably most complex. It can even be said that it has two dimensions: (1)the scientific dimension which developed out of the exchanges between the various groups concerned with Third World marketing of infant formula. Observers of the controversy note that much of the essential information concerning this issue has been left to and kept within this dimension. They claim that this enables critics to easily capture the public attention and, in some cases, support by acting as quasi-experts on the subject; (2)the popular campaign.

The birth of the infant formula controversy occurred in Bogotá, Colombia in 1970 at a conference sponsored by the United Nations Protein Advisory Group (PAG) which was attended by representatives of various U.N. agencies and infant formula manufacturers, as well as by medical and scientific experts.

"David O. Cox, president of the Ross Division of Abbott Laboratories, attended the meeting and made the following observations:

At that meeting medical and nutritional experts debated the issue vigorously, but disagreed substantially on the impact of the availability and promotion of infant formulas on a perceived decline of breastfeeding in developing nations. They also disagreed on whether infant morbidity and mortality rates in general were linked in a significant way to the use of commercial formulas. A strong position was taken by (Dr.) Derrick Jelliffe and others that, indeed, such a relationship existed. A second group of experts, including Dr. Renato Woisky (Brazil), Dr. Fernando Monckeberg (Chile) and Dr. Paez Franco (Colombia), took a more moderate position. That position can be summarized as follows:

1. While breastfeeding appeared to be declining, particularly in urban centers, this phenomenon was largely independent of prepared infant formula promotion.
2. Data on morbidity and mortality had to be examined as part of a much larger picture that included maternal nutrition, sanitation, access to health care, purchasing power, education, lactation failure due to family disruption, urbanization with subsequent

life style changes, etc. In short, those experts thought that commercial prepared formulas were a very small and undefined part of a very large problem.

Almost all experts at the Bogota meeting agreed that there was a legitimate need for alternatives to breastfeeding for some mothers.⁵⁹

The PAG again sponsored an infant formula conference, this one taking place in Paris in 1972. Out of this conference came PAG Statement #23 which recognized four important things about promotion of infant formula in the Third World:

1. Breast milk is an optimal food for infants and, if available in sufficient quantities it is adequate as the sole source of food during the first four to six months of age.
2. Poor health and adverse social circumstances may decrease the output of milk by the mother...in such circumstances supplementation of breast milk with nutritionally adequate foods must start earlier than four to six months if failure is to be avoided.
3. It is clearly important to avoid any action which would accelerate the trend away from breast feeding.
4. It is essential to make available to the mother, the foods, formulas, and instructions which will meet the need for good nutrition of those infants who are breast-fed.⁶⁰

This statement was endorsed by the infant food industry, world health officials, and physicians alike.

In 1975, the International Council of Infant Food Industries (ICIFI) was founded not only for the benefit of common industrial interests but also to research questions concerning consumer health and welfare. PAG Statement #23 served as the basis for the Council's own Code of Ethics which was adopted a few months after its founding. "One must stay that the Code of Ethics was a recognition by formula producers that self-imposed regulations were called for by the scientific evidence and analysis presented to the industry by international health sources. The Code set standards for advertising, product information, and the use of educational nurses, among other things."⁶¹

An article in the August 1973 issue of a British publication called New Internationalist, "The Baby Food Tragedy," served to spark the birth of the popular campaign. The two tropical medicine experts who were interviewed for the article said that, in their opinion, "the marketing of baby milk by Western

Corporations had in part contributed to the continuing problem in developing countries of infants who suffered from diarrhoeal disease and gastroenteritis."⁶² The doctors indicated that many other factors in addition to advertising were responsible for the decline in breast-feeding. However, the most damaging part of the article was the magazine cover, which depicted "a close-up of a baby's grave on which rested a baby bottle and a used can of Nestlé's Lactogen and a caption that read in part '...the use of these items was one of the main causes of the child's death.'"⁶³

In 1974, Mike Muller, a South African journalist who was employed by a British charity organization, War on Want, to write a report about the infant formula controversy, responded with an article entitled "The Baby Killer." The report espoused the idea that promotion by infant formula manufacturers served to diminish the importance of breast-feeding and damage the health of infants. It contained some language which was quite blunt; for example, it said: "Third World babies are dying because their mothers bottle feed them with Western style infant milk."⁶⁴ Furthermore, it continued: "The frightening fact is that this suffering is avoidable...the baby food industry stands accused of promoting their products in communities which cannot use them properly...where there is no choice but squallor, the choice of an artificial substitute for breast milk is in reality a choice between health and disease."⁶⁵ Because Muller interviewed many officials in the infant formula industry, his report ironically also contains references to studies favorable to supplementation. As a result, the Muller report was a highly uneven combination of infant formula material, both good and bad.

Later in 1974, Arbeitsgruppe Dritte Welt Bern (Bern Third World Action Group) translated the article into Swiss-German, giving it the title "Nestlé tötet Babys" (Nestlé Kills Babies). Reacting to being singled out as a target for infant formula industry complaints, Nestlé sued the activist group for libel.

Perhaps the article's most noticeable effect, however, was "converting the genuinely complicated issue of infant feeding into a simplified 'cause.'

Instead of a reasoned discourse about an admittedly complex problem, what the Third World working group did was to give full vent to its ideological hatred of international business organizations, even to the point of labeling the heavily Christian, duty-conscious Nestlé as a murderer."⁶⁶

In the fall of 1976, the title was found to be libelous. However, the judge urged Nestlé to "rethink its advertising practices in developing countries" and "change its advertising practices" if it wanted "to be spared the accusation of immoral and unethical conduct."⁶⁷ Although Nestlé was victorious in its suit action, the continuously staged marches, demonstrations and other media events that it was exposed to severely damaged the company's reputation.

Unfortunately for Nestlé, the worse was yet to come. In 1975, a devastating anti-Nestlé film entitled "Bottle Babies" was released by German film-maker Peter Krieg. It was his intention to use the film to vindicate the Swiss activist group of the charges made against it. "The film portrays a life of total deprivation and ignorance in Kenya and depicts Nestlé, the giant multinational, as the exploiter of the poor and as the main contributor to infant mortality and malnutrition. Even though a Kenyan pediatrician who appears in the film calls it 'emotional, biased, and exaggerated,' "Bottle Babies" is an example of how sophisticated and adept at manipulation some corporate critics have become."⁶⁸ It is the opinion of many observers that this film is the catalyst which served to enlist the support of people throughout the world for the various activist groups.

The Krieg film was used to develop the infant formula controversy in the United States. For example, both the Interfaith Center on Corporate Responsibility (ICCR), an agency of the National Council of Churches, and the Third World

Institute of Minneapolis, Minnesota began to distribute the film. There is no question that the many scenes of sick and dying babies were effective in starting up group action against the formula manufacturers.

Ironically enough however, Nestlé was not the first focus of activists in the United States; rather, Bristol-Myers (producer of Enfamil and Olac) was. The problem began in December 1974 when a Roman Catholic order, the Sisters of the Precious Blood, who were later joined by The Ford Foundation and The Rockefeller Foundation, filed a shareholder's resolution asking for information on the company's promotion and sales practices in the Third World. "At first refusing to give the information, Bristol-Myers later asserted in a proxy statement that 'infant formula products are neither intended nor promoted for private purchase where chronic poverty or ignorance could lead to product misuse or harmful effects.'"⁶⁹ Convinced that Bristol-Myers had made false and misleading statements, the Sisters filed suit in April 1976. After losing the suit on the basis that they were not caused "irreparable harm" by the statement, the Sisters entered into negotiations with the company, out of which resulted an out-of-court settlement in which Bristol-Myers agreed to allow the Sisters to use its annual report to explain their position. The company's answers to the allegations appeared in the same statement.

Nestlé's turn came in June 1977 when the Third World Institute of the Newman Center and the Minnesota Infant Formula Action Coalition wrote to a Nestlé's sales office in Minneapolis to announce that it was beginning a nationwide boycott of the company's U.S. products to begin on July 4, 1977. With assistance from the ICCR, The Third World Institute founded the Infant Formula Action Coalition (INFACT) with headquarters at the Newman Center of the University of Minnesota.

"INFACT is a nonprofit organization of nutritionists, educators, church

representatives and concerned citizens."⁷⁰ It operates on a budget that is provided by donations from churches and individuals.

INFACT has been endorsed by all types of individuals, churches, and organizations. Examples include: Ralph Nader; Dr. Benjamin Spock; Gloria Steinem; Dr. Allen Jackson, Tropical Metabolism Research Unit, Kingston, Jamaica; Cesar Chavez, President, United Farmworkers; American Association of Evangelical Students; American Lutheran Church, SE Minnesota and Southern Wisconsin; Maryknoll; Presbyterian Church in the U.S.; Roman Catholic Church, Archdioceses: Albany, Denver, Hartford, San Francisco, St. Paul & Minneapolis; American Federation of Teachers; United Auto Workers (UAW); College and Student Governments; Institute for Food and Development Policy; and, National Organization for Women (NOW).

Just one of the many activists groups throughout the world, INFACT is the most active in the United States. By informing Americans of the problem through their churches, the boycott was able to spread on a grass roots level. Told that Nestlé was responsible for the death of millions of infants, people were affected in many different ways. The following is an excerpt from a letter that the President of Nestlé-U.S. received from a Catholic college student in Baltimore, Maryland:

And after all is said and done, it comes down to an issue of trust for me. When I was weighing the facts and figures I weighed them against how much trust I had in the authorities who reported them to me. Now, my past experiences with American corporations have not led me to trust them more than the religious authorities of this country. I therefore have decided to follow the guidance of the religious authorities, precisely because they have won my trust through past experiences with them. ⁷¹

Because INFACT has a full-time Washington operation and their endorsements include many congressional leaders, they were able to get two public hearings arranged-- one a May 1978 hearing called by Senator Kennedy, chairman of the Subcommittee on Health and Scientific Research, the other by Congressman John Bingham in January 1980, chairman of the Subcommittee on International Economic

Policy and Trade. These hearings gave INFACT the publicity it needed to spread word of its campaign activities. However, at the first public meeting, Senator Kennedy worked to move the controversy to an international forum, an action which was not highly desired by INFACT. Kennedy asked representatives of Nestlé, Abbott Laboratories, Bristol-Myers and American Home Products if they would support his efforts to set up an international meeting which would be run by the World Health Organization (WHO); they all agreed. It was Kennedy's desire that this action would result in a more scientific study of the controversy.

"To demonstrate the trauma caused by Senator Kennedy's efforts to move the controversy into an international forum, [one] can refer to the comments of INFACT's Chairperson about the WHO meeting: 'I think we have a very co-optive situation there. It will be very dangerous for the campaign and for critics of infant formula. The companies are going to get together and try to take it out of any controversial aspect and to simply deal with it on a very rational basis, as they are very prone to do.'" ⁷²

In December 1978, INFACT started a direct mail, solicitation-of-funds campaign that was designed to inform Americans of the "villanous" Nestlé and ask them for a \$25 donation. Included in the letters which have gone to more than 6,000,000 households was a postcard featuring the picture of an emaciated baby with a baby bottle positioned next to him. The postcards were to be sent to Nestlé to express the sender's allegiance to the boycott. ⁷³

Despite INFACT's displeasure with the proposed meeting, it was finally held in October 1979. In attendance were 150 participants representing governments, the health profession, industry and consumer groups. The meeting resulted in a list of recommendations appropriate for the marketing and distribution of infant formula and weaning foods, which are as follows:

The government of each country has the responsibility to promote coherent food and nutrition policies which should give special attention to mothers, infants and children. These policies should emphasize the preservation of breastfeeding and the implementation of appropriate nutritional guidance (calendrier nutritionnel). Governments have a duty to ensure the supply and availability of adequate infant food products to those who need them, in ways that will not discourage breastfeeding. Informed advice should be given at the appropriate time and place to mothers and families about best infant and young child feeding practices.

Breastfeeding is the only natural method of feeding babies and it should be actively protected and encouraged in all countries. Therefore, marketing of breast-milk substitutes and weaning foods should be designed not to discourage breastfeeding.

There should be no sales promotion, including promotional advertising (this includes the use of mass media and other forms of advertising directly to mother or general public, designed to increase sales of breastmilk substitutes, to the detriment of breastfeeding) to the public of products to be used as breastmilk substitutes or bottle-fed supplements and feeding bottles. Promotion to health personnel should be restricted to factual and ethical information.

There should be an international code of marketing of infant formula and other products used as breastmilk substitutes. This should be supported by both exporting and importing countries and observed by all manufacturers. WHO/UNICEF are requested to organize the process for its preparation, with the involvement of all concerned parties, in order to reach a conclusion as soon as possible.

Monitoring of marketing practices is recommended. Usually this will be done under government auspices. Advertising councils and industry, consumer and professional groups can make an important contribution.

There should be no marketing or availability of infant formula or weaning foods in a country unless marketing practices are in accord with the national code or legislation if these exist, or, in their absence, with the spirit of the meeting and the recommendations contained in this report or with any agreed international code.

Facilities of the health care system should never be used for the promotion of artificial feeding. Therefore, advertising or promotional distribution of samples of breastmilk substitutes through health service channels should not be allowed. Artificial feeding should not be openly demonstrated in health facilities.

No personnel paid by companies producing or selling breastmilk substitutes should be allowed to work in the health care system, even if they are assigned more general responsibilities that do not directly include the promotion of formulas, in order to avoid the risk of conflict of interest.

Production and distribution of foods for infants and young children should be governed by strict legal standards. They should be labelled to indicate proper and safe home preparation. Governments should adopt the recommended international standards covering foods for infants and young children developed by the Codex Alimentarius Committee on Foods for Special Dietary Uses and should support the elaboration of standards by this Committee to ensure nutritional value and safety. Governments that have not yet adopted such codes or regulations are urged to do so.

Products that are not suitable alone as weaning foods, such as sweetened condensed milk, cornstarch, cassava flour and cereal flours, should be required by proper regulations not to be packaged, labelled, advertised or otherwise promoted in ways that suggest they should be used as a complement or substitute for breastmilk. Vigorous educational efforts should be made against their misuse for the purpose by mothers. ⁷⁴

It was further decided that WHO would work to incorporate these recommendations into an international code of marketing to restrict the advertising and marketing of infant formula. The code was to be finished in time for a WHO meeting to take place in Geneva in May 1981.

With the code ready to be voted on, representatives at the WHO meeting voted 118 to 1 on May 20 to adopt the code. Although the actual outcome was expected, the fact that the United States was the single dissenting voter proved to be quite a surprise.

It was explained that the White House ordered the no vote based on its "concern that the code would restrict free speech and free trade." A large degree of the reaction to the American vote, particularly in this country, was outrage. Dr. Stephen Joseph, the top health official at the U.S. Agency for International Development, who resigned his job in protest along with Eugene Babb, the agency's top nutrition expert, called the vote "contrary to the best interests of my country, inexplicable to my professional colleagues...and damaging to the health and growth of the world's children." Cries of "shameful" and "indifference to human life" were also heard. "Outside the U.S., the reaction was more puzzlement than anger, though even London's conservative Financial Times declared, 'It is special pleading of the worst kind to invoke the right to free expression and free competition if a potential danger to life and health has been identified.'" ⁷⁵

Yet, Elliott Abrams, Assistant Secretary of State for International Organization Affairs, declares that the code "has grave constitutional problems for us-- we couldn't adopt it here at home, and we couldn't recommend it for anyone else."

Abrams also claims that "the code could so restrict availability of infant

formula that 'the health of children may actually suffer.'"76

Nevertheless, the battle rages on. For example, because the new guidelines are in the form of recommendations and thus, are not binding on any nation, Iowa Democrat Thomas Harkin is working to get the United States House of Representatives to turn them into law in this country. Furthermore, the National Council of Churches will release a report in July claiming that American infants are just as susceptible to illnesses from the increased use of baby formula as are Third World infants. "Vows John Pendrotti, an antifformula activist: 'We want the code to be adopted in this country as well.'"77

Many observers of the controversy claim that " [the infant formula] industry's mismanagement of the issue at Geneva is mainly responsible for the adoption of a code that was poorly conceived and ultimately may do more harm than good."78 To begin with, Stanislas Flache, the secretary general for the International Council of Infant Formula Industries (ICIFI), an industry trade group, said that the ICIFI had "to lay low." Active lobbying and cooperation with other groups against the code was surprisingly ruled out. This action, in effect, undermined the efforts of non-industry groups who opposed the code since they reasoned that "the all-important fight against malnutrition is lost beforehand unless industry's capability and willingness is fully enlisted in that fight."79 For instance, both an official of the European Community as well as Gerhard Stalder, director of the Children's Hospital of the University of Basel and president of the Swiss Pediatric Society failed in their drive to fight the proposed code due to a lack of industrial backing. Stalder commented, "Nestlé's management...seems preoccupied with the flak its enterprise has drawn from pro-code quarters. Maybe it has tired or lost the guts to stand behind its provenly helpful products and records of achievements in the world-wide fight against malnutrition of infants and children in particular."80

Indian Prime Minister Indira Ghandi perhaps best summed up how opponents of the code hoped that WHO would redirect its resources in providing adequate food for nursing mothers:

We would certainly help any such program. But I would not like you to think that I am against baby food. There are mothers who cannot breastfeed, and they should not be denied the use of baby food. What we are against is (mothers) who give up breastfeeding and resort to these things merely because it is fashionable, or because people are putting it to them that that is the thing to do..." 81

Yet, without the aggressive support of the industry, the very restrictive code was easily adopted at the May meeting. Ironically enough, however, Nestlé announced after the vote was in that it welcomed the code, unlike the U.S. firms who claimed to be quite unhappy with it. Because the code restricts infant formula advertising, it can be assumed that the code would favor the company most established in a market-- in most cases, that company is Nestle.

Critics claim that the code "creates an anti-business climate that will discourage desperately needed technology transfers and the creation and operation of industrial enterprises in developing countries."⁸² They are upset about the inept or, even nonexistent, lobbying efforts of infant formula companies and the fact that a propaganda victory can be claimed by anti-Western activists. They add that "it remains to be seen what the mothers and infants of the developing world will get."⁸³

Nestlé was chosen as the target of the activists groups for several reasons, namely:

--"Nestlé is the market leader. 'We feel that if we can persuade them to change their strategy, the others will follow.' Although Nestlé does not sell infant formula in the U.S., its many other products such as Nestlé's Quik, \$100,000 Candy Bar, Taster's Choice coffee, Nestea, Beringer Brothers wines, Souptime, Libby's, Stouffer Hotels, L'Oreal Cosmetics, Pine Hill Crystal Water, and Beechnut chewing gum are easily recognized by U.S. consumers.

--Nestlé is a Swiss company, and is thus seen to represent a model of corporate inpenetrability. 'It's very difficult to influence them by the

usual means,' says [an activist group spokesman.] The 'usual means' include minority shareholder resolutions used to challenge the companies listed on the U.S. stock exchanges. In addition, Nestlé's critics attribute the inability to stimulate a dialogue with management to what is seen as a typically Swiss inclination towards secrecy. In fact, Nestlé earlier attempted to carry on a dialogue with its critics in the U.S., but became so frustrated at the lack of progress and at finding its confidences abused that it finally gave up on this approach.

--'Their policies were the most backward, and they have been the slowest to change.'

--Their penetration into the medical profession is the highest.' The activists want to distance industry not only from the consumer, but from health professionals."⁸⁴

"Some observers believe that the activists meant to see Nestlé serve as an example in a more fundamental way. 'You only have to look at the stated directives of some of the pressure groups concerned,' says a European executive. 'Their objective was not so much to deal with the specific case of a baby food company undertaking activities which they characterized as being inimical to the interests of mother and children in the Third World. Their broader objective has been to show that the activities of multinational food companies in developing nations could never be other than inimical to the interests of the poor in those countries. This is a wider and far more political issue."⁸⁵

If the boycott is to end, INFACT demands the following of Nestlé:

An Immediate Halt to All Promotion of Infant Formulas:

An End to direct promotion to the consumer, including mass media promotion and direct promotion through posters, calendars, baby care literature, shows, wrist bands, and baby bottles.

An End to the Use of company "milk nurses";

An End to distribution of free samples and supplies to hospitals, clinics, and homes of newborns;

An End to promotion to the Health Professions and through Health Care Institutions. ⁸⁶

Nestlé-U.S. admits that it greeted news of the announced boycott "with a certain amount of incredulity." The company believed that since it did not make or sell infant formula products and was far removed from the ongoing debate in Europe, the effects of the boycott would be inconsequential. They further believed that criticisms would be shifted if Nestle policies were explained by a representative of Nestlé-Switzerland. In an effort to achieve the goal of ending the boycott, Nestlé set up a meeting in the U.S. between a representative of Nestlé-Switzerland and members of the ICCR and INFACT. Although a brief period of truce occurred after the meeting, INFACT soon after stepped up its boycott efforts with a national conference and an anti-Nestlé sidewalk march in Los Angeles.

Industry observers charge that Nestlé "may have egged on its worst critics" with its rather bland response to the issue. Nestlé maintains, however, that it wanted to believe in the good faith of the activist groups "instead of seeking third party allies or presenting its case to the public."⁸⁷

After 15 months, though, Nestlé-U.S. changed its course of action and hired a public relations consultant along with training an internal staff of volunteers to present the case to the public for the first time in its history. In addition to the aforementioned actions, Nestlé attempted to explain its position through religious, business, academic, and professional leaders throughout the nation. But most importantly as one Nestlé publication claims, "[the company] remains committed to a program of continuous reevaluation of its policies and to participation in all good-faith international efforts designed to bring solutions to the problems of infant feeding."⁸⁸

The effect of the boycott is difficult to assess. On the one hand, the activists claim that they have made a substantial impact on Nestlé's sales. For instance, one activist group spokesman points out that many groups and universities were persuaded to end their use of catering facilities operated by

Stouffer, a Nestlé-U.S. group company. They also claim that "the fact that Nestlé had had to hire people to help deal with the problem and that every spokesperson has to be knowledgeable to deal with it, says something," says a U.S. activist.⁸⁹ INFACt contends that "the boycott must not only continue, but it must intensify in order to preserve the important gains made at the meeting (the recent WHO/UNICEF meeting on "Infant and Young Child Feeding" in Geneva). Only sustained pressure can prevent Nestlé and the other infant formula companies from making 'interpretations of convenience' that distort the spirit of the meeting, i.e., the overwhelming consensus among non-industry participants on the need for strict controls on industry activities."⁹⁰

Yet, despite the claims made by the various activists groups, Nestlé insists that the boycott has had minimal effect on its sales. They explain that it is very difficult for most consumers to respond to the boycott because it does not effect their own interests. According to Nestlé, "it requires on the part of the average consumer-- except when he is extremely susceptible to a purely emotional appeal-- a rather convoluted internal debate to arrive at the conclusion that refusal to buy, say, instant soups in Cleveland will improve infant health in Pakistan."⁹¹

Nestlé also says that the effectiveness of the boycott has been diminished by the fact that the company does not make or sell infant formula in the U.S. The company maintains that it is difficult to attract consumers' attention to the wide range of products produced by Nestlé's, since they are sold under a variety of brand names. The fact of the matter is that millions of dollars that could be spent improving health conditions in Third World countries are instead being spent by both sides in this controversy.

In today's environment of corporate distrust, it is most necessary that companies try to establish a reasonable level of credibility for themselves.

According to Nestlé, there are several key elements which a company aiming to gain the trust of the public should consider in developing a strategy to achieve such a goal:

The first of these occurs before any sale is made and before any product is produced. It is a commitment to the concept of social responsibility from the organization's top management, i.e., the chief executive officer.

The commitment must be communicated to every manager of the corporation in terms of the kind of performance which is expected of them. Responsible employee performance is the sine qua non of winning public trust. In practical terms, this means that managers must realize that issues affecting the credibility of their organization need to be managed as part of everyday tasks and responsibilities.

The issues which managers should consider include the quality of the product or service, the manner of advertising and distributing the product, the treatment of employees, the environmental impact of the product and the production process, hiring practices and relationships with local communities and with society in general.

In addition to management commitment and employee performance, the corporation needs to establish its humanity with the public. In other words, visible human representation can overcome the public's perception of a cold, impersonal and uncaring organization. The human representation should include top management, as well as field personnel who are usually more in tune with the issues affecting local communities.

Another key element in the overall strategy is the formation of alliances with representatives of various disciplines including government, academic, religious and the media. All too often it happens that industry will look to one of those disciplines for help or advice in a crisis without first having laid the foundation for a permanent relationship. As a general rule, it is

much easier to establish mutually beneficial alliances in good times than in bad. Unfortunately, it is also easier for business to overlook the need for strong outside relationships during the good times."⁹²

Nestlé acknowledges that adhering to these suggestions will not guarantee that a company will be resistant to criticism. The company even admits that constructive criticism can be most beneficial to a corporation. The problem is determining just what constitutes constructive criticism.

Nestlé believes that the public would benefit greatly if public pressure groups were held to standards for constructive criticism. The company says that this would help to upgrade the quality of public pressure campaigns and that the public would be protected from unscrupulous campaigns.

A Nestlé publication explains that to be effective, "standards for constructive criticism need the support of government, community and religious leaders and the media, all of whom are in a position to request a showing that the pressure groups had followed certain procedures, for example:

1. "Demonstrating that the criticism is the result of thorough research on the issues involved. The research should include on-site reports, documentation of claims, expert analysis of technical points and a compilation of all relevant data, both pro and con.
2. Contacting the targeted corporation and attempting to establish a dialogue based upon the results of thorough research before mounting a public media campaign.
3. Giving the corporation an opportunity to respond and, if necessary, to modify current practices.
4. In addition to publicizing the negative aspects of corporate behavior, suggesting systems or procedures which could result in meaningful improvement of corporate practices.
5. As a general rule, avoiding use of celebrity status to speak as an

authority on a given issue. When Jane Fonda speaks out on military and economic policy, when Vanessa Redgrave applauds PLO activities and when Ralph Nader condemns 10 corporations to public degradation, each is exercising a constitutional right of free speech. But they should also be held accountable to a standard of social responsibility which demands individual in-depth research, attempts at dialogue and proposing positive alternatives before using their public stature to persuade. In view of the complexity of issues confronting all segments of society today, any lesser standard would be tantamount to an abuse of public trust."⁹³

The public will be spared public pressure campaigns that are designed to enhance individual reputations or damage corporate images if these basic criteria are followed, advises a Nestle publication. The company goes on to say that it would be in the best interest of corporations to "take a leadership role in developing community standards of conduct for public pressure groups."⁹⁴

There is no doubt that this problem is most complex-- one with no easy answer. Critics assert that "the public needs a strategy. It must include the continuous monitoring and disclosure of corporate activity; cooperation between concerned health professionals, international agencies, and advocacy groups; and the development of an increasingly larger audience of people who share the belief that business must be held accountable for unethical practices, however costly and inconvenient."⁹⁵ Nestlé is aware that this problem is a most emotional one, too. They admit that "in this field, with its profound human aspects, business for Nestlé is a challenge for Nestlé. Poor quality can put the life of the consumers of our products in danger, but in the final reckoning, it puts Nestlé's reputation in danger, too. A company which neglects the needs and problems of its customers purely for commercial reasons, would have no future."⁹⁶ The infant formula controversy is indeed a difficult one. Yet,

"for all the rhetoric, it is clear that breast-feeding has a powerful appeal for many women all over the world. 'Love flows between a mother and child,' said a woman in India who breast-fed. 'It is a beautiful sensation.' Finally, though, she needed another source of nourishment for her youngster. At that point, she agreed, bottles were best."⁹⁷

ENDNOTES

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⁷Sethi and Post, p. 36.

⁸Ibid., pp. 37-38.

⁹Infant Feeding in the Developing Countries (Vevey, Switzerland: Nestlé S.A., 1977), p. 30.

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¹¹"A Boycott over Infant Formula," Business Week, April 23, 1979, p. 140.

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¹⁴Infant Formula: An Activist Campaign (Geneva: Business International S.A.), p. 12.

¹⁵Ibid.

¹⁶Sethi and Post, p. 39.

¹⁷Ibid.

¹⁸Policy vs. Practice: The Reality of Formula Promotion, p. 18.

¹⁹Infant Formula: An Activist Campaign, p. 13.

²⁰Infant Feeding in the Developing Countries, p. 17.

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